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SUBJECT: CORRUPTION, KAZAKHSTANI STYLE: "ROTTING FROM THE HEAD DOWN"

Ref: Dushanbe 576

¶11. (SBU) Summary: Corruption is rife in Kazakhstan, affecting all sectors from education to health care. Kazakhstani perceptions of the impact and acceptability of the various forms of corruption are nuanced. While they are decidedly critical of the large-scale corruption found at the top levels of business and government, most Kazakhstanis accept "everyday" bribes and kickbacks as a necessary remedy to an overly bureaucratic system. Regardless of perceptions, the pervasive corruption throughout Kazakhstani society clearly weakens rule of law and diminishes the sense of civic responsibility. End Summary

¶12. (SBU) The purpose of this cable is to provide anecdotal examples of corruption, along with other Central Asian embassies, as part of a coordinated reporting effort. Please see additional corruption pieces from Ashgabat, Bishkek, Dushanbe, Kabul and Tashkent.

THE SCOPE OF CORRUPTION

¶13. (SBU) As in other post Soviet states, corruption in Kazakhstan is not simply an isolated practice of the social elite, but rather a pervasive and socially ingrained phenomenon that affects all levels of society. In bribery, its most recognizable form, corruption is extensive, although the use of kickbacks, illicit exchange arrangements and extortion are also prevalent in Kazakhstan. Moreover, corruption extends into the law enforcement and judicial systems, health and dental care industries, regulation and permitting agencies, border and import/export control, and press and media outlets.

THE EVERYDAY EXPERIENCE OF CORRUPTION

¶14. (SBU) The prototypical example of Kazakhstani corruption is seen everyday on the street, where local traffic police openly extort bribes from motorists. When caught speeding, making an illegal turn, running a red light, or committing some other minor traffic violation, the offending motorist is pulled over by one officer and typically asked to get in the police vehicle where a second officer is sitting. After a short conversation, the

driver will pass 200 to 500 tenge (\$2-5) to the second officer with a handshake and be on his way. For more serious infractions such as drunk driving, the procedure is the same and the bribe is said to be between 10,000 and 25,000 tenge (\$80-200).

¶ 5. (SBU) Police have also been known to coerce bribes by working together to create confusing traffic situations. For example, one individual recounted an experience where police sitting in their vehicle near an out-of-service traffic light appeared to be waving motorists to pass. Once they did so however, a second officer some distance away would stop them for having broken the law. When the indignant `offender' confronted the first officer, he claimed that he had merely been stretching his arm out the window. Accordingly, traffic police enjoy an extremely lucrative profession; the hiring process itself is subject to knowing, then bribing, the right people.

¶ 6. (SBU) Kazakhstan's burgeoning car culture provides many other opportunities for exploitation. Without bribing the driving instructor, for example, prospective drivers are not likely to pass the driving exam. Even those who do pass without bribing then face up to a six month `processing' delay. Kazakhstani law also requires annual vehicle inspections, which few of the used Japanese and German imports that clog the streets are capable of passing legitimately. However, an additional 1,000 tenge (\$8) "payment" alleviates the problem. The result is a plethora of highly polluting and sometimes dangerous vehicles on the streets.

¶ 7. (SBU) As in Soviet times, the health care and dental professions remain substantially underpaid. Hence, locals regularly make use of gifts and bribes to ensure doctors' careful attention or to circumvent waiting lists. Various hospital services are also for sale. One local resident who suffered a

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serious, debilitating injury was informed by the hospital that he would be required to return to work within two days. Realizing that to be impossible, he had a close relative present the receptionist with a gift basket, and his hospital stay was extended by a week.

¶ 8. (SBU) Kazakhstan's educational system is notoriously subject to corruption at all levels, particularly concerning admission to private schools and prestigious universities. In order to enroll her young nephew in a special elementary school, one local citizen took note of the director's casual remarks about the school's lack of learning materials. After a considerable donation of supplies to the school, her nephew was promptly admitted. University admission exams are also routinely sold prior to the exam period, for prices ranging from 1,000 to 15,000 tenge (\$8-130). The American-affiliated, business university KIMEP is a notable exception to the rule of institutional corruption in higher education and, not coincidentally, enjoys the best academic reputation in the country. However, even KIMEP is not completely immune to the problem; Americans working there report instances of bribery involving professors, students and occasionally heads of departments.

¶ 9. (SBU) Beyond admission, everything from individual grades to full doctoral degrees is for sale, going for perhaps 1,000 tenge (\$8) for the former and upwards of 500,000 tenge (\$4,000) for the latter. However, the outright purchase of a doctorate is much less common than bribing the supervising committee. Everybody knows, one former student claimed, that without throwing a party for your advisors and showering them with gifts, your thesis has no chance of being approved, regardless of its academic merit. Additionally, unpaid student internships are reportedly auctioned off to companies for up to 150,000 tenge (\$1200), none of which is passed along to the students.

¶ 10. (SBU) Corruption is also manifest at nearly every stage of the government bureaucracy. When renewing passports, acquiring permits, bidding on contracts, renewing apartment leases and navigating the regulatory environment, Kazakhstani citizens are often presented with the option of either investing enormous amounts of time and effort in dealing with the inefficient

bureaucracy, or simply bribing the appropriate person. Moreover, making the bureaucracy un-navigable or exacerbating its existing inefficiencies is an effective way of implicitly soliciting kickbacks. Consequently, Kazakhstanis complain that self-serving bureaucrats often deliberately hold up paperwork, shorten office hours, or withhold information so that something as simple as renewing a passport can take several months without a bribe.

¶11. (SBU) Corruption is especially acute in customs and border control, often described as the most corrupt sector in Kazakhstan. Travelers crossing regional borders by car are often hassled with ad hoc customs restrictions until a small bribe or gift is produced. On a much larger scale, however, mass quantities of goods from China are regularly smuggled into to Kazakhstan with the help of border officials. In a recent, highly publicized case, a group of border control officers were caught extorting up to \$4000 from each truck carrying smuggled Chinese goods into Kazakhstan, collecting between \$3-4 million in bribes a month at a single outpost.

¶12. (SBU) In addition to goods, migrants are often shuffled illegally across borders for a fee - such as prostitutes from Tashkent or laborers from Tajikistan - as Kazakhstan offers one of the most profitable working environments in Central Asia. One Kyrgyz student from KIMEP did not mind skipping classes because, he said, his brother works as a border guard, which guarantees him a job that pays more than any legitimate one he might obtain.

¶13. (SBU) The legal structure is widely perceived to be corrupt and politically influenced. Despite being the highest paid civil servants in the country, judges are widely viewed as corrupt. A law establishing a jury trial system has been passed, but awaits implementation. Nevertheless, even under the new law, jury trials will be available in only the most serious criminal cases, while in civil and minor criminal cases lawyers will continue to act as the intermediary between clients and judges. Overall, Kazakhstanis see the process, on the whole, as rife with

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corruption, and express little faith in the rule of law.

¶14. (SBU) Finally, nearly all informed observers doubted the existence of a truly objective press in Kazakhstan. Instead, Kazakhstanis often feel that few media outlets or journalists remain unbiased, and that they are either working directly under the auspices of local businessmen and politicians, or are at least swayed by them. As a consequence, Kazakhstanis tend to put markedly more faith in hearsay and anecdotal evidence and less in print media than do Americans.

ATTITUDES TOWARD CORRUPTION

¶15. (SBU) While Kazakhstanis are decidedly critical of high-level political and business-related corruption, they largely tolerate its street-level variant. In fact, corruption is so ingrained that locals sometimes fail to distinguish it from the motions of daily life. Instead, corruption in the form of bribes and kickbacks, exchange arrangements and trade-offs, is often viewed as a way to circumvent a hopelessly slow bureaucracy or exercise a certain degree of freedom in an otherwise inflexible system.

¶16. (SBU) The resulting corruption in some industries, such as health care, is considered an accepted necessity. Kazakhstanis almost unanimously agree that the meager salaries paid doctors and their staffs cannot possibly ensure the level of service required of them, despite their best intentions. Corruption is seen as a natural result of a weak system, effectively shifting the burden of responsibility away from both the giving and receiving parties.

¶17. (SBU) Many Kazakhstanis, nevertheless, acknowledge that this type of corruption progressively undermines institutions such as the educational system, and they often express a principled objection to corruption in general. Yet, when queried, many say

that they prefer the status quo to a system completely without corruption. Furthermore, many feel it is the government's job to eliminate corruption at all levels and to set the example for the country. The situation is often summed up with the old Russian saying, "A fish rots from its head down."

THE CONSEQUENCES OF CORRUPTION

¶18. (SBU) The prevalence of corruption serves to effectively widen the already significant gap between the rich and the poor. Wealthy citizens can easily out-bribe the poor for preferential treatment in all the areas mentioned above. Because they can easily afford numerous, small traffic bribes, they are also more likely to disregard traffic laws and act with some level of impunity in other situations, undermining the standard of equality under the law. While the economic impact of 'everyday' corruption is likely small, larger-scale forms of corruption intended to subvert free market mechanisms undoubtedly have a significant negative effect on Kazakhstan's economic potential.

¶19. (SBU) Widespread bureaucratic corruption undoubtedly weakens the authority of the government. Whether due to increased media focus on corruption or the government's efforts to shift the blame, many Kazakhstanis cite democratization efforts as the cause of the perceived increase in corruption since the fall of the USSR. When Kazakhstan was part of the Soviet Union, political corruption rarely made headlines and 'everyday' corruption had not yet been stigmatized. Kazakhstan's particular trajectory of democratization is also blamed for the rising oligarchy in the country.

COMMENT

¶20. (SBU) Comment: In the Kazakhstani context, corruption inflicts its greatest damage by slowly undermining the institutions of law, education and democracy. As the process takes root, the rationale for engaging in corruption grows

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stronger and the fight against it more challenging. It is difficult to judge whether or when Kazakhstan will be able to combat this problem. In a country with such centralized power and poorly-developed sense of individual civic duty, it is likely that only a demonstration of political will from the very top could reverse current trends. However, there are few indications that such a demonstration will be forthcoming anytime soon. End Comment.

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